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In the Office Action, the Examiner rejected Claims 1-11, 13, 15-17 and 19-23, which were all of the then pending claims, under 35 U.S.C. 103 as being unpatentable over the prior art. More specifically, Claims 1, 2, 5, 7, 8, 11, 13, 17 and 19-23 were rejected as being unpatentable over U.S. Patent 5,351,302 (Leighton, et al.) in view of U.S. Patent 5,903,652 (Mital) and U.S. Patent application publication 2002/0052835 (Toscano). Claims 3, 4, 9, 10, 15 and 16 were rejected as being unpatentable over Leighton, et al. and Mital and further in view of U.S. Patent 5,850,442 (Muftic); and Claim 6 was rejected as being unpatentable over Leighton, et al. and Mital and further in view of U.S. Patent 6,185,678 (Arbaugh, et al.).

Independent Claims 1, 7 and 13 are being amended to better describe the subject matters of these claims. Claims 3, 4, 9, 10, 15, 16, 19, 20, 21 and 23 are being amended to keep the language of the dependent claims consistent with the language of the independent claims and to correct minor informalities in the claims. Also, new Claim 24, which is dependent from Claim 1, is being added to describe an optional feature of the invention, and Claim 17 is being cancelled to reduce the number of issues in this case.

For the reasons discussed below, Claims 1-11, 13, 15, 16 and 19-23 patentably distinguish over the prior art and are allowable. The Examiner is thus asked to reconsider and to withdraw the rejections of claims 1-11, 13, 15, 16 and 19-23 under 35 U.S.C. 103, and to allow these claims and new Claim 24.

Generally, Claims 1-11, 13, 15, 16 and 19-24 patentably distinguish over the prior art because the prior art does not shown or suggest the feature, in a process of transferring a title from a first party owner to a second party transferee, that the owner of the title,

the title, where that message includes a public part of a signature scheme of the second party transferee.

In order to best understand this feature and its significance, it may be helpful to review briefly the present invention and the prior art.

The present invention generally relates to establishing and to managing electronic titles for financial instruments. In order to develop a suitable mechanism to do this, a number of issues need to be addressed. For instance, it is necessary, or highly desirable, to prevent the creation of illegitimate titles and to prevent fraudulent sales. Also, the owner needs to be able to show ownership. The ability to maintain confidentiality and to preserve anonymity may also be important.

The present invention effectively addresses these issues. Generally, this is done through a unique involvement of three parties – the owner, the transferee (such as a buyer), and a third party emitter. With the preferred embodiment of the present invention, the third party emitter issues the title for the financial instrument; and the title includes (i) a message describing the title and how to contact the owner, and (ii) a digital signature of the owner. When the owner wants to transfer the title to another person, the owner, using his or her public signature scheme, appends a message to the title, and this message includes a public part of a signature scheme of that other person – that is, the transferee.

The references of record do not disclose or suggest this same type of three-party involvement. In particular, the prior art does not disclose or suggest the above-described role of the owner.

For instance, Leighton, et al. discloses a system for preventing counterfeiting or otherwise illegal use of documents. In this system, a title is provided with an identifier

uniquely associated with the personal or real property that is the subject of the title, and information directly or indirectly identifying the owner of the property.

In the Office Action, the Examiner asserted that Leighton, et al. discloses, in column 2, lines 51-68, the owner appending to the title a public part of a signature scheme of another person. This portion of Leighton, et al. discusses digital signatures and public-key cryptosystems, and how a digital signature can be used to bind information to a title. There is no teaching or suggestion in this portion of Leighton, et al. (or in any other portion of this reference), though of having the owner, using his or her public signature scheme, append a message to the title, where this message includes a public part of a signature scheme of the transferee.

The Examiner also argued, in the Office Action, that Toscano discloses appending a message to the title, where that message includes a public part.

What is important in the present invention, however, is not simply that the owner append a public part of the signature scheme of simply some other person, but that the owner append to the message the public part of the signature scheme of a particular person – the transferee. This Toscano does not disclose. Specifically, Toscano does not disclose the owner appending to the message a public part of the signature scheme of the transferee.

The other references of record have been reviewed, and these other references, whether considered individually or in combination, also do not disclose or suggest this feature of the present invention.

For instance, Mital, discloses an e-commerce transaction system. In this system, various people at various locations input and process data to effect a transaction; and, in this system, digital signatures and encryption are used to keep the transaction secure.

Muftic discloses a network for electronic business transactions. In this network, digital signatures and encryption are also used to maintain the transaction secure.

Arbaugh, et al. was cited for its disclosure of a specific cryptographic generator.

None of these references teach having the owner, using his or her public signature scheme, append a message to the title, where this message includes a public part of a signature scheme of the transferee.

Independent Claims 1, 7 and 13 are being amended to emphasize the above-discussed feature of the invention. Specifically, in each of these claims, the "other person" is being changed to the "second party transferee." In this way, the claims more directly indicate that the owner appends to the title the public part of the signature scheme of - not just any other person, but a very particular person - the second party transferee.

As a review of the present application shows, this feature of the invention is of utility because it helps the owner establish the new ownership. This helps future, potential buyers determine the legitimacy of ownership of the title.

Due to the above-discussed differences between Claims 1, 7 and 13 and the prior art, and because of the advantages associated with these differences, Claims 1, 7 and 13 patentably distinguish over the prior art and are allowable. Claims 2-6 and 19-24 are dependent from Claim 1 and are allowable therewith. Likewise, Claims 8-11 are dependent from, and are allowable with, Claim 7; and Claims 15 and 16 are dependent from Claim 13 and are allowable therewith. The Examiner is, accordingly, respectfully asked to reconsider and to withdraw the rejections of Claims 1-11, 13, 15, 16 and 19-23 under 35 U.S.C. §103, and to allow these Claims and new Claim 24.

For the reasons discussed above, the present application is now in condition for allowance, a notice of which is requested. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is asked to telephone the undersigned.

Respectfully Submitted,

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